

SUMMER 2026 SYLLABUS

Executive MBA Elective

Mergers and Acquisitions

Scheller College of Business | Georgia Institute of Technology

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COURSE DESCRIPTION

This course provides executives with a rigorous and practical framework for analyzing, structuring, and managing mergers and acquisitions. M&A transactions represent some of the most consequential strategic decisions a company can make — reshaping competitive landscapes, reallocating billions in capital, and creating or destroying substantial shareholder value. Yet decades of empirical research consistently find that the majority of acquisitions fail to achieve their stated strategic and financial objectives, with acquirers frequently overpaying and underestimating execution complexity.

This course addresses that gap by combining rigorous financial analysis with the organizational and behavioral dimensions of deal-making. Students will develop hands-on proficiency in the primary valuation methodologies used by practitioners — discounted cash flow analysis, comparable company analysis, and precedent transaction analysis — while also learning to identify, structure, and quantify the synergy gains that are central to acquisition rationale. Emphasis is placed on the critical distinction between value created through genuine operational improvement and value merely transferred from acquirer shareholders to target shareholders through acquisition premiums.

Beyond valuation, the course examines the full M&A lifecycle: from strategic rationale and target screening, through due diligence and deal structuring, to the often-underestimated challenge of post-merger integration. Special attention is given to the behavioral biases — overconfidence, hubris, and the escalation of commitment — that systematically lead acquirers to overpay and underperform, as well as the critical role of negotiation in determining deal terms, merger consideration, and the ultimate allocation of synergy gains between buyer and seller.

The course employs a case-based pedagogy supplemented by a live negotiation simulation, allowing executives to apply frameworks in realistic, time-pressured contexts that mirror actual deal environments. Real-world transactions — including the Cigna-Express Scripts combination and the Berkshire Hathaway/3G Capital acquisition of H.J. Heinz — provide the empirical grounding for concepts introduced in class. Students will emerge with both the analytical toolkit and the strategic judgment required to evaluate, lead, and execute M&A processes within their organizations.

LEARNING OBJECTIVES

Upon successful completion of this course, students will be able to:

- Value acquisition targets using discounted cash flow and comparable firm methodologies, and assess whether a proposed acquisition price is justified — as practiced in Mercury Athletic, Cigna-Express Scripts, and the M&A in Wine Country pre-work.
- Identify and quantify synergy gains in acquisitions and evaluate whether those synergies justify the premium paid to target shareholders — as examined in the H.J. Heinz and Mercury Athletic cases.
- Diagnose post-merger integration challenges and develop integration strategies that address organizational, cultural, and operational obstacles to value capture — as analyzed in Making Mergers Work and CommonSpirit Health.
- Design and execute negotiation strategies in M&A deal contexts, apply core negotiation concepts such as BATNA and anchoring, and reflect critically on negotiating performance — as practiced in the M&A in Wine Country Simulation.

COURSE MATERIALS

The following resources will be used in this course:

1. The New M&A Playbook (Pre-read — required before first session)
2. Cigna-Express Scripts
3. Mercury Athletic: Valuing the Opportunity
4. H.J. Heinz M&A
5. Making Mergers Work
6. CommonSpirit Health: Integrating a Merger of Equals
7. M&A in Wine Country Simulation

SOFTWARE REQUIREMENTS

The following software and tools are required for this course: Microsoft Excel. Students should ensure they have access to Excel with financial modeling functionality prior to the first session. All valuation exercises and simulation pre-work will require Excel-based analysis.

COMMUNICATION

Office hours will be held via Zoom on Wednesday, May 20th and Wednesday, May 27th at 8:00 PM. I am also happy to meet outside of scheduled sessions anytime during the summer term — please email me and we will set up a time to connect.

Email: jonathan.clarke@scheller.gatech.edu

LESSONS AND COURSE MATERIALS

PowerPoint files and cases for this course will be housed on Canvas: <http://canvas.gatech.edu>

COURSE OUTLINE

| Class Date | Topic | Materials / Cases | Deliverable |
|-------------------------|---------------------|---|---|
| May 16, 2026 AM Session | Valuation Tools | The New M&A Playbook Cigna-Express Scripts | |
| May 16, 2026 PM Session | Valuing Synergies | Mercury Athletic: Valuing the Opportunity H.J. Heinz M&A | In-class valuation of Mercury Athletic (Group — in-class submission) |
| May 30, 2026 AM Session | Merger Integration | Making Mergers Work CommonSpirit Health: Integrating a Merger of Equals | In-class exercise on CommonSpirit Health's integration strategy (Group) |
| May 30, 2026 PM Session | Merger Negotiations | M&A in Wine Country Simulation | Submit valuation of BelVino before class (Individual) Submit reflection on strategy and performance in simulation (Group) |

CASES AND LEARNING OBJECTIVES

The following summaries describe each case or reading used in the course, along with the specific learning objectives associated with each. Students should read all materials prior to the session in which they are scheduled.

The New M&A Playbook

Module: Pre-Read | Strategic Framework

This Harvard Business Review article challenges conventional M&A wisdom by drawing a fundamental distinction between two types of acquisitions: those that boost current business performance and those intended to transform a company's growth trajectory. The article argues that most acquisition failures stem not from poor execution but from strategic misdiagnosis — acquirers too often pay a premium for capabilities they could have developed more cheaply, or underestimate how difficult it is to absorb a business into an existing structure. It sets the conceptual foundation for the course by introducing a disciplined framework for evaluating strategic fit before committing to a transaction.

Learning Objectives:

1. Distinguish between performance-boosting and transformation-oriented M&A strategies, and identify the conditions under which each is appropriate.

2. Articulate the most common reasons acquisitions fail to create value, including misaligned strategic rationale and integration underestimation.
3. Apply a structured framework to evaluate whether a proposed acquisition's strategic logic is sound before conducting financial analysis.

Cigna-Express Scripts

Module: Session 1 — AM | Valuation Tools

This case examines Cigna's acquisition of Express Scripts, one of the largest health care deals in U.S. history and a landmark vertical integration transaction. Cigna, a major health insurer, acquired Express Scripts — the nation's largest pharmacy benefit manager — in a move designed to integrate the management of medical and pharmacy benefits under one roof. The case is used in the valuation tools session to practice applying enterprise valuation methods to a complex, multi-segment business while also evaluating the strategic logic underpinning a large-scale deal announcement.

Learning Objectives:

1. Apply DCF and comparable company valuation techniques to a diversified health care services firm with multiple business segments.
2. Evaluate the strategic rationale for vertical integration as an M&A motive and assess whether the deal is likely to create or destroy acquirer shareholder value.
3. Identify how regulatory risk and deal financing choices affect pricing, deal certainty, and acquirer return expectations.

Mercury Athletic: Valuing the Opportunity

Module: Session 1 — PM | Valuing Synergies (Graded Group Assignment)

Mercury Athletic is a foundational case for practicing the full mechanics of a DCF-based acquisition valuation. West Coast Fashions is divesting Mercury Athletic, a footwear subsidiary that no longer fits its strategy. John Liedtke at Active Gear, Inc. is evaluating the acquisition opportunity. Students build a complete DCF model from provided financial statements and operating assumptions, select a WACC, calculate terminal value, and arrive at a range of value estimates — then assess whether and at what price the deal makes sense. The case is submitted as a graded group assignment completed in class.

Learning Objectives:

1. Construct a complete multi-year DCF model including explicit free cash flow forecasts, WACC estimation, and terminal value calculation.
2. Reconcile DCF value estimates with comparable company multiples to triangulate a defensible acquisition price range.
3. Assess the sensitivity of valuation conclusions to key assumptions and communicate findings clearly to a business development audience.

H.J. Heinz M&A

Module: Session 1 — PM | Valuing Synergies

This case examines the acquisition of H.J. Heinz by Berkshire Hathaway and 3G Capital — at the time the largest transaction in the food industry. The deal is notable for its structure: a partnership between a long-term value investor (Berkshire) and a private equity firm (3G Capital) known for zero-based budgeting and aggressive cost discipline. Used alongside Mercury Athletic in the synergies session, the case provides a real-world grounding for quantifying the operational improvements that must materialize to justify an acquisition premium, and for understanding how deal structure allocates risk and return between co-investors.

Learning Objectives:

1. Identify and quantify the cost and operational synergies that underpin an acquisition's financial rationale, and evaluate whether those synergies justify the premium paid.
2. Analyze how co-investment deal structures allocate risk, return, and control between different types of buyers.
3. Assess whether a large acquisition premium is supported by a realistic estimate of post-acquisition operational improvement.

Making Mergers Work

Module: Session 2 — AM | Merger Integration

This reading synthesizes research and practitioner evidence on why post-merger integration so often fails to deliver the value promised at deal announcement. It covers the most common integration pitfalls — talent loss, cultural clash, systems incompatibility, and the distraction of integration from core business performance — and introduces a structured approach to integration planning. The reading is foundational for the CommonSpirit Health case that follows it in the same session, providing the frameworks students will apply in the in-class exercise.

Learning Objectives:

1. Identify the most common sources of value erosion in post-merger integration and explain the organizational mechanisms behind each.
2. Apply a first-100-days integration planning framework covering structure, talent retention, systems, and cultural alignment.
3. Evaluate the tradeoff between integration speed and thoroughness, and identify conditions that favor one approach over the other.

CommonSpirit Health: Integrating a Merger of Equals

Module: Session 2 — AM | Merger Integration (Graded Group Assignment)

This case examines the merger that created CommonSpirit Health, the largest Catholic health system in the United States, formed from the combination of Dignity Health and Catholic Health Initiatives. The merger of two large, geographically dispersed, mission-driven organizations presents a distinctive set of integration challenges: there is no dominant acquirer, both institutions carry deep cultural identities, and the operating environment is shaped by complex regulatory and mission constraints. Students apply integration frameworks from Making Mergers Work to develop and evaluate CommonSpirit's integration strategy in an in-class group exercise.

Learning Objectives:

1. Analyze the integration planning challenges specific to a merger of equals, including governance design, leadership selection, and cultural reconciliation without a clear acquirer.
2. Develop an integration strategy that addresses the preservation of mission and institutional identity alongside the capture of operational synergies.
3. Evaluate the organizational and structural decisions CommonSpirit faced and assess which choices were most critical to long-term integration success.

M&A in Wine Country Simulation

Module: Session 2 — PM | Merger Negotiations (Individual & Group Deliverables)

The M&A in Wine Country Simulation places students in the roles of buyers and sellers negotiating the acquisition of BelVino, a fictional premium wine producer. Before class, students independently value BelVino and establish a reservation price. During class, they execute a live multi-party negotiation. The

simulation makes classic M&A negotiation dynamics experiential: anchoring effects, information asymmetry, the tension between value creation and value capture, and the use of deal structure to bridge valuation gaps. A post-simulation written reflection requires students to connect their negotiating experience directly to course frameworks.

Learning Objectives:

1. Value an acquisition target independently and use that analysis to establish a defensible reservation price and opening negotiating position.
2. Apply core negotiation concepts — including BATNA, anchoring, and concession sequencing — in the context of a live M&A deal negotiation.
3. Reflect critically on negotiating performance and identify the specific decisions that created or destroyed value relative to the available zone of possible agreement.

GRADING

Grades will be based on the following assignments. The Mercury Athletic and CommonSpirit Health assignments will be completed in class on the day indicated.

| Assignment | Due Date | Type | Weight |
|--|----------------------------------|------------|-------------|
| Mercury Athletic: Valuing the Opportunity | May 16, 2026 (in-class exercise) | Group | 20% |
| CommonSpirit Health | May 30, 2026 (in-class exercise) | Group | 20% |
| M&A in Wine Country — Valuation of BelVino | May 30, 2026 | Individual | 20% |
| M&A in Wine Country — Reflection on negotiating strategy and results | June 15, 2026 | Group | 20% |
| Class Participation & Peer Assessment | June 15, 2026 | Individual | 20% |
| Total | | | 100% |

Grade Scale

90–100 A | 80–89 B | 70–79 C | 60–69 D | Below 60 F

COURSE WEBSITE AND OTHER CLASSROOM MANAGEMENT TOOLS

All course materials will be accessible through Canvas, which will serve as the central hub for everything you need throughout the semester. This includes lecture recordings, PowerPoint presentations, student assignments, and any supplementary resources provided to support your learning. Students are encouraged to check Canvas regularly, as it will be updated frequently with new materials, announcements, and guidance for upcoming class sessions.

Should you experience any issues with Canvas, assistance is available 24 hours a day, 7 days a week through the following channels:

- Canvas Support Hotline (Students): <https://gatech.instructure.com/>
- Chat with Canvas Support (Students):
<https://cases.canvaslms.com/liveagentchat?chattype=student>
- Email: support@instructure.com
- Canvas Self-Service Knowledge Base: <https://gatech.service-now.com>

SUBMITTING ASSIGNMENTS

All assignments (homework, knowledge checks, exams, etc.) must be completed and submitted within Canvas. Sending assignments — whether early, on time, or late — directly to the professor is not permitted and will not be accepted. If you experience technical issues, please notify the help desk as well as the professor immediately.

GRADING AND FEEDBACK

All assignments and exams will be graded within one week of the submission deadline, and timely feedback will be provided to support your learning and improvement. Feedback may include written comments, solution outlines, or rubric-based evaluations, depending on the assignment. If you have questions about your grade or would like additional clarification on feedback, you are encouraged to reach out so we can discuss your work in more detail.

CLASS NETIQUETTE

The term "netiquette" is a combination of 'net' (from internet) and 'etiquette.' It means respecting other users' views and displaying common courtesy when posting to online discussion groups. Because online communication generally lacks visual cues common to face-to-face interactions, you are expected to follow these standards when communicating with your instructor and peers in this class (including during the simulation):

- Be sensitive and reflective to what others are saying.
- Do not use all caps — it is the equivalent of screaming.
- Do not flame — these are outbursts of extreme emotion or opinion.
- Think before you hit the post/enter/reply button. You cannot take it back.
- Do not use offensive language.
- Use clear subject lines.
- Do not use abbreviations or acronyms unless the entire class knows them.
- Be forgiving. Anyone can make a mistake.

- Keep the dialogue collegial and professional.

ACADEMIC INTEGRITY

Plagiarism

Plagiarism is considered a serious offense. You are not allowed to copy and paste or submit materials created or published by others as if you created the materials. All materials submitted and posted must be your own original work.

Student Honor Code

You are responsible for completing your own work. All students are expected and required to abide by the letter and spirit of the Georgia Tech Honor Code, which can be found at <http://osi.gatech.edu/content/honor-code>. Any student suspected of behavior in violation of the Georgia Tech Honor Code will be referred to Georgia Tech's Office of Student Integrity. Please feel free to ask if you need additional clarifications about this issue.

ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES

If you are a student with learning needs that require special accommodation, contact the Office of Disability Services at (404) 894-2563 or <http://disabilityservices.gatech.edu/> as soon as possible to make an appointment to discuss your special needs and to obtain an accommodations letter. Please also email me as soon as possible to set up a time to discuss your learning needs.

COPYRIGHT

Among the materials that may be protected by copyright law are the lectures, notes, and other material presented in class or as part of the course. Always assume the materials presented by an instructor are protected by copyright unless the instructor has stated otherwise.

STUDENT-FACULTY EXPECTATIONS AGREEMENT

At Georgia Tech we believe that it is important to strive for an atmosphere of mutual respect, acknowledgment, and responsibility between faculty members and the student body. See <https://catalog.gatech.edu/rules/21/> for an articulation of some basic expectations that you can have of me and that I have of you. In the end, simple respect for knowledge, hard work, and cordial interactions will help build the environment we seek. Therefore, I encourage you to remain committed to the ideals of Georgia Tech while in this class.

SUBJECT TO CHANGE STATEMENT

The syllabus and course schedule may be subject to change. Changes will be communicated via the Canvas announcement tool. It is the responsibility of students to check email messages and course announcements to stay current in their online courses.